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FIRST ANNUAL REPORT

OF THE

PORT OF BOSTON AUTHORITY

~~October 6, 1947~~

FOR THE

YEAR ENDING DECEMBER 31, 1945

In compliance with the provisions of Chapter 91A of the General Laws, inserted therein by Section 3 of Chapter 619 of the Laws of 1945, the Port of Boston Authority presents the following report:

As we have been in operation for less than three months, our first report can be only a brief statement of our organization and work to date, our purposes and hopes for the future, and some problems which have already confronted us and our suggestions for their solution.

The new act establishing the Authority (Chapter 619 of the Laws of 1945) became effective, so far as the Authority's duties and functions are concerned, upon the qualification of all of the five members appointed by the Governor. The fifth member to qualify did so on October 8, 1945, and we have been functioning only since that date. Our first regular meeting was held on October 9, 1945, and thereafter we have held regular weekly meetings and several special meetings. An Acting Director was appointed on November 1, and during November we retained counsel and appointed a Traffic Manager. Building up the very considerable staff which will be needed is likely to take some time, as there are numerous difficulties and selection of men for key posts must be made with great care, if we are to meet the responsibilities imposed upon us.

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These responsibilities are heavy. With the end of the war, a fresh opportunity exists - a new chance to continue and accelerate the commercial development of the Port of Boston. Keeping alive the forward-looking spirit which animated the recent legislation, we must work vigorously, in cooperation with other official bodies, shipping men and waterfront labor, to put this port into its proper place in the mercantile world. Boston as a port has a noble history. It can have a noble future.

This city is favorably known throughout the world. It was not only the Boston papers, which might be partial, but the New York dailies and the press associations, which recently reported the very serious consideration given Boston as a site for the capital of the United Nations Organization. Statesmen from all the continents were impressed by Boston's advantages. High on the list of our city's assets, if not, indeed, our greatest physical asset, is our superb harbor. We must make the most of it.

It is in this spirit that this Authority approaches its task. We have barely begun; but we are moving. In November the Acting Director successfully undertook arrangements for handling the first post-war commercial ship at Commonwealth Pier. By taking prompt action, we have already insured the establishment of one intercoastal line, and have arranged to handle other ships which otherwise, for lack of facilities, would have gone elsewhere. Being in administrative charge of the Port, we have been able, with the cooperation of all concerned, to arrange the full use of facilities as they are released by the Army and Navy for commercial use.

In November we engaged the firm of Fay, Spofford and Thorndike to bring up to date an engineering survey of Port facilities which that firm made shortly after the last war. This survey should be completed within a few weeks. It promises to be of great value, giving a clear picture of existing facilities





and thereby pointing the way to desirable future expansion. We can best gauge our possibilities by gaining a thorough knowledge of what we have, with full technical details and basic engineering considerations.

Prompt action is essential. Already, we have successfully taken part in negotiations with the Navy leading to the release of half of Commonwealth Pier, and have scheduled, to use it, four intercoastal ships and one on the Hawaiian run. There will be more. The Army has also agreed to give up borths at the Army Base as their own needs decrease, and we are planning to use them to the full. The last should be available for commercial operation by July. 1, 1946. We have entered into negotiations, furthermore, for the eventual use of Castle Island, and have set up a committee to study the possible establishment of a Free Port at Castle Island or elsewhere in Boston. To put the Castle Island property to maximum commercial use, even after it is returned, will take much time and effort, as many of its facilities were built under Army specifications for military purposes and thus are, as they stand, inadequately designed for commercial operation.

We recognize, of course, that any action we take in the field of commercial operations may be impeded by a variety of factors. Among these is one which has already engaged our attention. While we believe that the Boston waterfront labor situation is often represented, here and elsewhere, in an exaggerated and unfairly adverse light, we also believe it can be improved. One of the biggest forward steps possible would be the signing of a new basic collective bargaining agreement. No such basic agreement has been entered into since 1935. The lack of it is one of the chief causes of misunderstanding and friction -- friction which must be eliminated if any good program for the Port is to roll smoothly forward. A survey of comparative labor costs, now being conducted by the Authority, is desirable. A thorough understanding between labor and management, and a determination by all concerned to live up to every agreement is essential.



Our work is not confined, geographically, to Boston and its environs. Full development depends on shippers in other cities understanding the advantages of shipping through Boston. We believe that unless we do a reasonable amount of judicious advertising, and have offices or representatives in important centers like New York and Chicago, our job can never be more than half done. We are accordingly planning a program of public information, in various cities in this country, and will submit details to the Budget Commissioner in the near future.

Appended to this report are our specific present recommendations for new legislation which is needed if we are to function effectively. Certain difficulties which confront us can be remedied by this proposed legislation.

To us has been transferred the right to request the raising of money and to spend the money raised, for the acquisition of the Mystic Wharves from the Boston & Maine Railroad and the construction of a new pier on the sites of Piers 46 and 47. This program was authorized under Chapter 714 of the Laws of 1941. Since 1941, costs have increased so greatly that a greater sum than the \$4,700,000. authorized in 1941 must be made available if this property is to be acquired and this construction undertaken. None of the appropriation to the Authority may be used, under the law, for this purpose. That the acquisition is necessary has been pointed out in the reports of the Boston Port Authority as far back as 1939. Unless sufficient funds are raised - and at least \$1,250,000. to \$1,500,000. additional is required, from the best information we can now obtain - the Port will be in increasing danger of losing business due to inadequate and deteriorating pier facilities.

To us, also, has been given responsibility for the construction of new piers which are necessary, economically sound, and in the best interests of the Commonwealth. This responsibility is conferred by Section 3 of Chapter 91A of the General Laws, inserted therein by Section 3 of Chapter 619 of the Laws of 1945.



Yet Section 10 of Chapter 619, unfortunately, may have the effect of virtually preventing new construction, including the construction under the Mystic Wharves Act mentioned above. Section 10 provides that "no construction shall be done" until the pier to be constructed has been leased to a responsible party. As the cost of planning a new pier is considered part of the construction cost, it appears probable that, under the law as it now stands, plans cannot be drawn until a lease is signed. Obviously we can hardly expect to find responsible leasees for structures that are not only non-existent, but are not even blue-printed. It is essential that the making of detailed plans be permitted under a special appropriation and that Section 10 be amended so as expressly to allow such planning without the requirement of a prior lease for the property being planned.

Third, the statute gives us certain managerial functions which require personnel of wide experience in business and transportation. That the Legislature fully realized this is evidenced by the provision in the statute (Section 55 of Chapter 6 of the General Laws enacted as Section 2 of Chapter 619 of the Laws of 1945), exempting from Civil Service requirements certain executive, professional and expert personnel of the Authority. This exemption is necessary because the Authority's duties are, in large part, commercial, promotional and specialized. To carry on these pursuits we need as experienced and able a staff as a large mercantile business concern would have. Therefore it is important to success in developing the Port that we be expressly directed to fix the compensation of all of those employees mentioned above, whose importance has already been recognized by the General Court.

Up to the time of this Report the Department of Public Works has carried on the handling of receipts and expenditures, and an accounting of same will be made in their statement. In this connection we wish to point out that on





November 27 we adopted regulations governing our procedure in the consideration of petitions and applications for licenses, permits, and leases. The Department of Public Works has for many years followed a notice-and-hearing procedure before granting licenses to obstruct tidal waters. There was no similar procedure with respect to leases and permits for the occupation of real property. We do not deem it our function to upset property relationships which existed at the time that control was transferred to us from the Department of Public Works, unless they are clearly detrimental to the Port. We have therefore affirmed, wholly or with acceptable modifications, the action of our predecessor in control of this property. We do believe, however, that in the future the public should be notified and given an opportunity to be heard, not only before we issue licenses, but also before we grant permits or enter into leases.

The statutory requirement, that we should submit plans and estimates for new construction by December 15, could not be met this year, due to the late date of the statute's coming into effect. The Authority will, however, proceed with these tasks, and with all the functions entrusted to it, vigorously and in a cooperative spirit, and with confidence that steady and substantial growth will mark the future of the Port of Boston.

Leave is respectfully requested to submit a supplemental report covering certain matters briefly mentioned above, and presenting additional information and recommendations on the basis of accumulating experience.





An Act Clarifying and Further Defining Certain Powers of the  
PORT OF BOSTON AUTHORITY

Be it enacted by the Senate and House of Representatives in General Court assembled and by the authority of the same, as follows:

Section 1. Chapter six of the General Laws is hereby amended by striking out section fifty-five and inserting in place thereof the following section:- Section 55. Said Authority shall have an office in the city of Boston, shall in addition to a director, employ, within the limits of the amount appropriated therefor, such experts, counsel, clerks, engineers, assistants and other employees as it may deem necessary, and, subject to appropriation, may incur such other expenses, including the expense for advertising and publicizing the port of Boston as it may deem necessary. The director, rate experts commerce counsel, traffic solicitors and other experts and counsel shall not be subject to chapter thirty-one and the rules made thereunder; and the Authority may fix their compensation as it shall deem necessary, any other provisions of the General Laws notwithstanding.

Section 2. Chapter six hundred and nineteen of the Acts of nineteen hundred and forty five is hereby amended by striking out section five and inserting in place thereof the following section:- Section 5. All the rights, powers and duties on the effective date of this act pertaining to the department of public works in respect to lands, rights in lands, flats, shores, waters and rights belonging to the Commonwealth in tidewaters and in lands under water, within the port of Boston, as such term is defined in section two of chapter ninety-one A of the



General Laws, and any other rights and powers heretofore vested by the laws of the Commonwealth in the department of public works in respect to the port of Boston not heretofore in this act expressly vested in or imposed upon the Port of Boston Authority, hereinafter and in the subsequent provisions of this act referred to as the Authority are hereby transferred to and hereafter shall be vested in and exercised by the Authority. There is also transferred to and vested in the Authority the right to request funds under the provisions of Chapter seven hundred and fourteen of the acts of nineteen hundred and forty-one and to expend the same; provided, however, that the cost of acquiring and developing the properties and facilities referred to therein, and the amount of bonds of the commonwealth to be issued and sold by the state treasurer pursuant to such request, to meet the expenditures necessary to carry out the purposes of chapter seven hundred and fourteen of the Acts of nineteen hundred and forty-one shall not, either of them, be limited to four million seven hundred thousand dollars and shall not exceed six million dollars, and further provided that the Authority shall be empowered to incur such expenses as it deems necessary for the drafting of detailed plans and specifications of the properties and facilities set forth in said chapter in advance of the execution of a written contract for the lease of any of such properties or facilities. The Authority shall also assume and take over, on behalf of the commonwealth, any rights, powers, and duties of the department of public works, under any contracts heretofore made for the improvement, filling, sale, use, or other disposition of the lands, flats, or waters of the commonwealth within the port of Boston, including any structures which, on said



Constitution of the Commonwealth, the maturities thereof to be so arranged that the amount payable each year, other than the final year shall be as nearly equal as in the opinion of the state treasurer is practicable; provided, that no construction, to be paid for from the proceeds of the bond issue heroby authorized, shall be done unless the Authority shall have first executed a written contract, approved by the governor, with a responsible party providing for the lease of said property, the minimum requirements of which shall be at a rate sufficient to amortize sixty percent of the actual cost to the commonwealth of the facilities included in the lease, over a period not to exceed twenty years, which contract may provide that at the expiration of the term of the lease it may, at the option of the leasee, be renewed for a further period of twenty years; and provided, that the expenses deemed necessary by the Authority for the drafting of detailed plans and specifications of property and facilities which may be constructed may be paid for from the proceeds of said bond issue, without the prior execution of a contract for the lease of said property and facilities; and provided, further, that no expenditure or commitment from the proceeds of said bond issue in excess of five million dollars shall be made without further authorization by the general court therefor.

















